

American Federation of Labor and Congress of Industrial Organizations



815 Sixteenth Street, N.W.
Washington, D.C. 20006
(202) 637-5000
<http://www.aflcio.org>



JOHN J. SWEENEY
PRESIDENT

Vincent R. Sombrotto
Robert A. Georgine
Moe Biller
Arthur A. Coia
George F. Becker
Patricia Friend
Sumi Haru
Leon Lynch
Robert E. Wages
Edward L. Fire
R. Thomas Buffenbarger
Stuart Appelbaum
Michael J. Sullivan

EXECUTIVE COUNCIL

RICHARD L. TRUMKA
SECRETARY-TREASURER

Gerald W. McEntee
Gene Upshaw
Frank Hanley
Frank Hurt
Stephen P. Yokich
Michael Goodwin
Carroll Haynes
Douglas J. McCarron
Jake West
Martin J. Maddaloni
Boyd D. Young
John W. Wilhelm
James P. Hoffa

LINDA CHAVEZ-THOMPSON
EXECUTIVE VICE PRESIDENT

John T. Joyce
Jay Mazur
James J. Norton
Gloria T. Johnson
Clayola Brown
Joe L. Greene
James La Sala
Arturo S. Rodriguez
Alfred K. Whitehead
John M. Bowers
Dennis Rivera
Elizabeth Bunn
Capt. Duane Woerth

Morton Bahr
John J. Barry
Michael Sacco
Douglas H. Dority
M.A. "Mac" Fleming
Sonny Hall
William Lucy
Robert A. Scardelletti
Andrew L. Stern
Sandra Feldman
Bobby L. Harnage Sr.
Michael E. Monroe

March 3, 2000

The Honorable Tom Bliley, Chairman
Committee on Commerce
U. S. House of Representative
2125 Rayburn House Office Building
Washington, DC 20515-6115

Dear Chairman Bliley:

President Sweeney has asked me to respond to your request for input regarding H.R. 2944, the Electricity Competition and Reliability Act. The AFL-CIO has several times publicly stated its concern about federal and state efforts to restructure the electric power industry. We continue to oppose any federal deregulation mandate, including a "one-size fits all" approach requiring states to "opt out" of a federally mandated regime. We believe deregulation of electricity is a matter best left to the states. Rather than facilitating states' restructuring initiatives, we would urge the federal government to focus on developing the interstate wholesale market as intended by the 1992 Energy Policy Act.

In Labor's viewpoint, one of the most troubling shortcomings in any current legislation is the failure to address maintenance of quality employment and workforce training needs, and the related reliability issues. Also, none of the bills provides for severance pay, retraining or job placement assistance, or other help for workers displaced by restructuring.

In the face of deregulation pressures to reduce costs, electric utilities have been downsizing their workforces and reducing their commitment to worker training. Department of Energy/Energy Information Administration data show that investor-owned utilities have eliminated more than 25 percent of utility workers since 1990, going from 479,000 to 351,000. Not only has this hurt workers, it has affected electric system reliability. As the utility workforce is stretched thin, workers, critical facilities and equipment maintenance are ignored or deferred. The resultant decline in system reliability is evidenced by a growing number of power outages

and the utilities' inability to respond to storm outages in recent years. As restructuring continues, utilities will likely make more workforce cuts in order to stay competitive, further weakening system reliability.

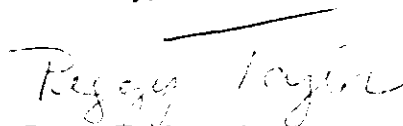
No proposed federal bill provides support for training programs needed to replace and maintain a highly skilled and experienced workforce to operate all segments of the industry. The Energy and Power Subcommittee did consider, and narrowly rejected a worker certification and training amendment put forth by Congressman Brown and Shimkus. Perhaps if the Members could have read the transcripts of the just-concluded Department of Energy Power Outage Study Team field hearings, they would have realized that the worker training issue must soon be dealt with, or the nation could be in great jeopardy.

Also lacking are adequate provisions for federal regulatory safeguards to ensure local network reliability. The new competitive environment is undermining the tradition of utility industry cooperation and adherence to voluntary standards which have maintained a high level of reliability in the electricity system for decades. A new oversight mechanism is needed to coordinate within and across states and regions to ensure system reliability.

In addition, the industry's cost-cutting, downsizing, and retreat from training and standards compromises worker safety. None of the proposed legislation includes provisions to require industry adherence to safety standards or provide mechanisms for a continued high level of worker and public safety.

Once again, we thank you for the opportunity to provide input regarding this important issue. We will be monitoring the activities of the full Committee to see if it chooses to address any of the concerns presented in this correspondence.

Sincerely,

A handwritten signature in cursive script, appearing to read "Peggy Taylor", is written over a horizontal line.

Peggy Taylor, Director

DEPARTMENT OF LEGISLATION

c: Richard L. Trumka, Secretary-Treasurer, AFL-CIO
John J. Barry, President, IBEW
Donald Wightman, President, UWUA
Gerald McEntee, President, AFSCME
Andrew L. Stern, President, SEIU
Linda Golodner, Chairperson, APEC
All Members of House Commerce Committee